




## The Deputy Secretary of Energy

Washington, DC 20585

November 15, 2001

### MEMORANDUM FOR UNDER SECRETARIES AND HEADS OF HEADQUARTERS ELEMENTS

FROM: FRANCIS S. BLAKE 

SUBJECT: Project Acquisition Plans and Critical Decisions

I sent you a memorandum on September 19, 2001, reinforcing my personal interest in sound project management and directing implementation of certain requirements from DOE Order 413.3, *Program and Project Management for the Acquisition of Capital Assets*. I would like to now address three specific enhancements to the processes provided within the Order, related to Critical Decision-O (Mission Need), Acquisition Plans, and quarterly performance reviews.

To ensure we have as much information as possible when deciding whether to initiate new projects, and to ensure that we avoid unexpected budget issues for new projects as well as projects underway, I will approve Critical Decision-O for all new projects of \$400 million or higher. I will chair meetings of the Energy Systems Acquisition Advisory Board to consider all such proposed new projects in order to make better corporate decisions regarding expenditures of resources. The Under Secretaries will approve Critical Decision-O for projects under \$400 million to \$20 million, and the Assistant Secretaries/Program Secretarial Officers will approve Critical Decision-O for projects under \$20 million to \$5 million, utilizing an equivalently constituted advisory board; this decision authority may not be further delegated. The Office of Management, Budget and Evaluation (OMBE) will independently assess and validate the documentation justifying each Critical Decision-O and provide their assessment to me or to the appropriate approving official. OMBE will provide an implementing process by separate correspondence. Once Critical Decision-O is approved, the project must be included in the Department's project management and reporting systems. Additionally, I am directing a review and approval of all previously approved Critical Decision-OS for projects not yet submitted for design funding or new starts in the Department's FY03 budget consistent with the above thresholds.

Second, effective immediately, I will approve all Acquisition Plans required by DOE Order 413.3 for projects \$400 million or higher, to be awarded either directly by the Department or through an M&O/M&I contractor. The Under Secretaries will approve the Acquisition Plans for projects under \$400 million to \$20 million and the Assistant Secretaries/Program Secretarial Officers will approve the Acquisition Plans for projects under \$20 million to \$5 million, without further delegation of this

authority. OMBE will review and evaluate each Acquisition Plan prior to consideration for approval and provide an assessment and any recommendations. Once the Acquisition Plan is approved, all remaining Critical Decisions may be delegated consistent with the Order and the Acquisition Plan. When a site is subject to the requirements of DOE Acquisition Letter 2000-08 of August 18, 2000, requiring a Site Utilization and Management Plan, both the justification of mission need and the elements of the Acquisition Plan must be consistent with that Site Plan. The mission need justification must be consistent with the Department's Strategic Plan. Additionally, the Acquisition Plan should address the elements listed in Chapter III of DOE Order 4 13.3.

Please adjust your delegation of Acquisition Executive Authority to reflect the above changes. I will reissue letters of delegation to you shortly to incorporate these changes.

Additionally, I will conduct quarterly performance reviews of the Department's largest projects (listed below). DOE Order 413.3 already requires these reviews at a lower level, so the review itself is not a new requirement. The Under Secretaries will schedule these reviews beginning with the second quarter of FY02 and provide a copy of the schedules to OMBE.

#### Defense Programs

National Ignition Facility, Lawrence Livermore National Laboratory

#### Nuclear Nonproliferation

Fissile Materials Disposition Program consisting of two component projects at Savannah River Site:

- Mixed Oxide Fuel Fabrication Facility
- Pit Disassembly and Conversion Facility

#### Office of Science

Spallation Neutron Source, Oak Ridge National Laboratory

#### Civilian Radioactive Waste Management

Yucca Mountain Site Characterization

#### Environmental Management

- Alternate Salt Processing, Savannah River Site
- Depleted Uranium Hexafluoride Project, Portsmouth and Paducah
- High Level Waste Removal Project, Savannah River Site
- Spent Nuclear Fuel Project, Hanford Site
- Waste Treatment Plant, Hanford Site
- Rocky Flats Site Closure

If you have questions regarding this memorandum, please address them to the Director, OMBE.